



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
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CONSUMER PROTECTION DIVISION
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Press Release

FOR IMMEDIATE RELEASE

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Attorney General McGraw Sues Blue Hippo, An Unlicensed Telemarketer

Attorney General Darrell McGraw filed suit today against Blue Hippo Funding, LLC, a Maryland Corporation; Blue Hippo Capital, LLC, a Nevada Corporation; and Joseph Rensin, the primary owner and operator of these two businesses. Blue Hippo operates an extensive media campaign that advertises the sale of computers on television, radio, internet and print media. The ads represent that "all you need is a checking account" to purchase a computer through Blue Hippo.

BlueHippo advertised that consumers could buy a "brand new name-brand computer" on terms that were affordable. What BlueHippo failed to disclose was that consumers would need to sign a written contract, make weekly or biweekly payments for nearly a year, and pay approximately \$2,000.00 for a computer that they could purchase elsewhere for a fraction of that cost. One consumer paid approximately \$1,800.00 for a computer similar to one she bought at Circuit City for about \$400.00.

BlueHippo does not keep computers in stock. Instead, the company requires consumers to pay an amount sufficient to cover BlueHippo's cost of purchasing the computer, plus a profit before it purchases a computer and has it shipped to the consumer. Consumers who made payments for the specified period often waited many more months before they received a computer.

Most consumers who complained to Attorney General McGraw's Consumer Protection Division responded to information that they saw on television. When they called Blue Hippo's toll-free number, they were told they would have to authorize weekly or biweekly electronic debits to their checking accounts and that after they had made payments for about three months Blue Hippo would ship them a computer. The consumers complained that they made many payments on the computers but never received either the computer or any more information from Blue Hippo. Consumers who stopped paying on the accounts forfeited all the payments they had made under Blue Hippo's no-refund policy. The few consumers who did receive computers paid amounts that were many times the amount at which they could purchase computers at ordinary retail stores.

Under West Virginia law, telemarketers, including those who advertise a toll-free number to which consumers respond, are required to be registered with the State Tax Department as a telemarketer and to post a bond. Blue Hippo did not register as a telemarketer and did not post such a bond. Under West Virginia law, telemarketers must have a refund policy that allows consumers to obtain refunds for returning goods or canceling services for a period of not less than seven days after the date of delivery to the consumer. Blue Hippo had no such policy, and, in fact, refused to return payments to consumers who canceled their transactions.

Attorney General McGraw warns, "Consumers should always be wary of ordering merchandise in response to television infomercials. Telemarketers are required to tell you their refund policy and all material terms of the agreement before they take any payment."

Consumers who have lost money to Blue Hippo should file a complaint with the Attorney General's Consumer Protection

Division by calling 1-800-368-8808.

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